

**City of New Castle Delaware  
City Council Special Meeting and  
Budget Workshop  
201 Delaware Street, New Castle  
Tuesday, June 20, 2017**

**Roll call**

Councilperson Valarie W. Leary  
Councilperson Michael J. Quaranta  
Council President Linda Ratchford  
Councilperson Michael M. Platt  
Councilperson John A. Di Mondì

**Also present:**

William Barthel, City Administrator  
Janet Carlin, City Treasurer  
Kathy Walls, Finance Coordinator

Council President Linda Ratchford started the budget workshop meeting with updates since the last workshop, and set the agenda for the meeting and discussion. Council President Ratchford mentioned that if the budget workshop was not able to be completed tonight, that there is a backup workshop scheduled for the 27th of June. Council President Ratchford called on William Barthel, City Administrator, Janet Carlin, City Treasurer and Kathy Walls, Finance Coordinator to run through the changes.

Mr. Barthel introduced the new spreadsheet, and emphasized that the projections are just best projections based on the information that they have, and obviously there were changes made. Mr. Barthel spoke of a change to municipal streeting, the weekend of separation day Mr. Barthel had spoken with Rep. Mulrooney and Senator Poor, and had inquired as to the potential for receiving the same deal that was received the last couple years, to which Mr. Barthel stated that he was informed to not count on future municipal street aid, and that if any were to be given, they should consider themselves fortunate. Mr. Barthel stated that he feels it would be best to take that money out of the budget, and stated that nothing will really be known until July 1st, when the state completes its budget.

Mr. Barthel mentioned that in his experience, prior to him being on council, where the state had totally eliminated the street aid fund. Mr. Barthel mentioned that as of today, a check for \$21,000 has been received in regard to a property that sold by the sheriff. Mr. Barthel then called on Kathy Walls, Finance Coordinator to go over the projections and do into more detail.

At this point, Council President Linda Ratchford asked Mr. Barthel if the Senator and Representative commented on grants and aids, to which Mr. Barthel replied 'No.'

Finance Coordinator Kathy Walls referenced page 12, bottom line for 2017, and gave an overview of the changes. Mrs. Walls referenced the addition of projected expenses in the last two weeks of June, the expenses included \$20,000 for a pension payment, and other expenses.

Mrs. Walls stated that incoming revenue includes \$166,000 from MSV and the sheriff sale check mentioned before for \$21,000. Mrs. Walls stated that this brings total revenue to \$187,000.

Mrs. Walls restated that there is '\$187,000 coming in, and \$195,000 going out' which leaves a balance of -\$8,000 for the actual, but Mrs. Walls mentioned that she expects that to change.

Page 12 was referenced and the proposed deficit which he stated as \$83,556. Mrs. Walls mentioned that with the updates that number will be changed to \$62,556 as the projected deficit at this point. Mrs. Walls stated that the change is due to the \$21,000 code enforcement action referenced earlier.

Mrs. Walls made reference to the last meeting, and that the spreadsheet contains the details, along with mentioning the loss of \$106,000 in municipal street aid, that it was needed to move that expense into the capital improvement budget, under the general fund, due to the changes in projections.

At this point, Council President Linda Ratchford summarized, stating that to create a balanced budget that the city would need to cut \$62,000 or make changes in the expense flow or timing. Mrs. Ratchford mentioned other options would be raising taxes or pulling the funding from the city reserves. Mrs. Ratchford inquired as to if cash on reserves is 'unrestricted around \$3,000,000' to which Mrs. Walls replied that number represents the cash in hand today, and that changes to the budget have already \$813,320. Mrs. Ratchford inquired as to how much cash was available in the reserve at the end of the year 2016, to which Mrs. Walls replied the projection of \$813,000 is already in use to balance this budget, and that some of the cash is restricted by the budget.

At this point, Council President Ratchford gave an overview of the numbers mentioned, and discussed the run rate of the city, and gave a overview of how many months would be left in reserve based on projections. Mrs. Walls stated that if the budget is five million, that six months would be 2.5 million. Details of the spreadsheet and restricted vs. unrestricted budget amounts were then discussed by Mrs. Walls, and Council President Ratchford summarized the numbers again and was satisfied and felt the city was left with a 4 month cash reserve, not 6.

Council President Ratchford asked if Councilperson Michael J. Quaranta had any information to share, and mentioned that the police chief would be scheduled to speak.

Councilperson Quaranta referenced the shortfall, and called on Mr. Barthel, asking if he had any recommendations or had noticed any things that stand out in the budget that are large ticket items that could be considered for a hold or a withdrawal. It was mentioned that the street sweeper, and asked for help understanding how much had been set aside. Mr. Barthel replied that the amount was \$44,000 'and change' - which is the down payment for seven years.

Mr. Barthel referenced that the budget was presented based on what was believed to be true at the time, in reference to the street sweeper and issues that need to be addressed, and that there was a real interest in the city council in increasing the headcount of the police force, and that discussions had been made with the Police Chief. Mr. Barthel also referenced that if the council decided to go with 18 officers, that they would not be able to get someone on board until

September, which is \$75,000 that would not be cut by 25% over a 2 month period, and that would represent a number that could be looked at. Mr. Barthel stated that his opinion would be to look at discretionary income in reference to the police force. At this point, Mr. Barthel switched topics to the street sweeper and this in his opinion the existing equipment (which is 22 years old) is not sufficient, and that the city is running the risk of failing an audit which would result in a fine, and that choosing not to invest in the new street sweeper could result in a fine.

At this time, the question was raised as to if the city was audited, would the current street sweeper be compliant - Mr. Barthel replied that he did not know, and that he would be unable to venture a guess on that. Ratchford interjected, asking if the current equipment was working and if it would be possible to delay purchasing until next spring. Mr. Barthel replied he did not know, but that the equipment was currently working - but had problems with the cab, and that he was unsure how long the current equipment would last and that there are many variables and questions that really can't be answered unless there was an actual audit, and that we cannot be sure if it will last longer or will be in compliance.

Councilperson Michael J. Quaranta replied that in his opinion, the equipment is either in compliance or not in compliance, and that if the city were audited, and that the city should be able to determine if the sweeper was acceptable or not due to age or lack of modern features, and that he feels that it is a very binary question, and should be pretty clear as to if it is in compliance or not regardless of the mechanical condition or lifespan of the device. Mr. Quaranta mentioned that he had been trying to get an answer to this question but was unable to get a clear answer, and that the city should be looking at the price tag of the new machine and how much effect will actually be done, and what the actual numbers are in terms of how much of the problem it solves, and that he is not trying to be indifferent about the current status but that he has more questions than he has answers at this point. Mr. Quaranta mentioned that some new hires could be put off for a quarter, which would save some money in the short term.

Mrs. Ratchford stated that this relates to the problem of the city never having 17 officers on the force, that we are currently at 16 - but that due to the time needed to train new hires, it would be much later before the numbers grow.

Councilperson John A. Di Mondì then brought up the staff of the police force for the last three years, and that the city has been well below 17 officers for many years, and that he felt there is no reason at all to bring it to 18, and that he feels that that the police force is very overstaffed compared to other cities, that it is "almost laughable." Mr. Di Mondì stated that the city is five officers over the average for a city of this size, and that the city is looking at \$75,000 per officer just to get started. Mr. Di Mondì stated that he felt the problem with the police department is the Farmer's Market and that the police department is already getting two new vehicles and does not need additional officers. Mr. Di Mondì stated that in reference to the street sweeper, he has known the relevant parties for twenty years and that they come in with not what the city is regulated to have, but what they wish they have. In Mr. Di Mondì's opinion, the government is not requiring the city to have this, but that these people are just presenting a wish list of things they would like to have, making references to streets that he feels needs to be repaved, and that

the citizens may rather see their roads paved then to see the city driving around in a \$275,000 street sweeper.

Councilperson Di Mondì then referenced the increased cost of maintenance with a new street sweeper, and does not feel it is a reasonable purchase. Councilperson Di Mondì stated that he feels the people who come up with this are 'environmental nuts' who 'sit around looking at computers all day' finding 'all this stuff that needs to be done', and made reference to the height of a building and how he was not informed as to its compliance, as well as filling in seven acres of marsh.

Discussion from a pricing perspective of type of street sweeper was then discussed, and that the city is required by permit to have a street sweeper. Council President Ratchford summarized the cost of the sweeper, and mentioned the cost of repairs of putting money into a 22-year-old machine. Councilperson Di Mondì responded that it is not hard to fix the machine, it's nothing but a chain and two brushes and a motor, but that a newer device using a high-speed vacuum with electronic controls is going to cost the city extensively in maintenance. Councilperson Quaranta stated that based upon the permit the city would follow the DELDOT model, and that he was trying to answer Mr. Di Mondì's questions.

Councilperson Quaranta stated that it is not up to the council to decide, and that the city should not take a chance on being audited and being out of compliance, as well as restating his concerns. Councilperson Quaranta stated that the program has just started. Council President Ratchford expressed her desire to be in compliance, and Councilperson Di Mondì stated that he has been 'sitting in his office for 75 years' and has never seen a street sweeper go by.

Councilperson Quaranta then asked Kathy Walls, Finance Coordinator, how many police officers are authorized. The answer is 18, but with a current head count of 16. Mr. Barthel stated that the city is in the process of interviewing two new officers, they are supposed to start next week. Mr. Barthel stated this would put them at 17, but there will be one officer on medical leave until the fall, so in reality the total officer count will be 16, and will drop to 15 if the before mentioned officer is deployed. Councilperson Di Mondì stated his belief that the number is acceptable, and Councilperson Quaranta asked if the city dropped from 18 officers to 17, even with all the personal changes mentioned before, that the city would save \$75,000 by dropping one of the officer positions, and that training would take some time. Mr. Barthel replied that someone could apply for the position at any time, and that based on experience the earliest a new officer would be ready would be September, and discussed going with a recruit vs. a trained officer.

Councilperson Quaranta then asked Mrs. Walls if the deficit could go away if on July 1st that we find out the city aid is in fact coming, to which Mrs. Walls replied 'Yes'. Councilperson Quaranta mentioned that even some of it could come in, and that his suggestion is that the 18th position on the police force be suspended, the city stays at 17, and see what happens on July 1st as the budget can always be amended. Councilperson Di Mondì agreed with this.

Council President Ratchford mentioned the current budgeted for public safety is at \$1,715,685 and mentioned the proposed 2018 budget which is at \$1,819,573 and mentioned dropping a

position, and questioned if that is \$103,888, and that the 2017 numbers should be used, and that the numbers may not justify the hire of more police, which is something she does support.

The numbers were then restarted by the council, and questioned if a motion was needed. Councilperson Quaranta mentioned only a consensus is needed. Council President Ratchford stated concern about the compliance of the street sweeper, and that the current budget does leave that in. Councilperson Quaranta expressed concern about the age of the machine, and that he would like to see the money set aside, but would like to learn more about the program and the options. Councilperson Quaranta admitted to not being well versed in street sweepers, and that he was unsure if there was a requirement as to the type of street sweeper needed. Councilperson Di Mondt stated again that this is a wish list, and that the city should wait to see if anything happens before spending \$275,000 and that he could not imagine getting fined for having a street sweeper that is too old. Councilperson Quaranta stated that the city cannot change the program and that he is okay with setting money aside for a sweeper, and that it is his view that before the city commits to purchase, that we figure out if the current sweeper is compliant, and how much of a problem does the sweeper actually solve. Councilperson Quaranta stated that he is for saving the money, that we may have to replace it at some point, but that he wants to learn a lot more about this topic before making any decision.

Council President Ratchford then stated that it seemed that they were all in agreement that more information would be needed, and that they would leave the money in due to it not being clear, and that the proposal is that the city remove one position under the police budget, which is approx. \$75,000. Council President Ratchford stated that this decision would rid the city of its deficit and balance the budget, and that the city can always revisit this budget later as more information is made clear.

Councilperson Di Mondt inquired as to if the street sweeper were left in the budget, what would trigger the purchase? Mr. Di Mondt asked if a resolution would be needed for the purchase, and William Barthel mentioned again that it is a requirement for the city to have this sweeper, and that it is possible that the city can wait for another couple years, but it is possible that there could be issues. William Barthel mentioned that dealing with state and federal regulations on this topic, and that more information is needed to evaluate the program.

Councilperson Quaranta stated that is part of the Congressional Review Act. Council President Ratchford again stated that it seemed that all agreed that more information was needed, and that the street sweeper would be kept in the budget as a placeholder until more information is made clear.

Council President Ratchford stated that the budget would be balanced by the reduction to the police force discussed earlier. Mrs. Walls discussed the numbers, and stated the budget would be balanced, and that more would be left in reserve.

Council President Ratchford inquired as to what line of the budget that was, Mrs. Walls replied that it was page two, 4th from the bottom, under fund balance - that is the balancing number, and that number would be lowered by \$11,444 and that the revenues would equal the expenses.

Council President then inquired as to if the minutes reflected that it would require a resolution to purchase the street sweeper. Councilperson Di Mondì was informed by Mrs. Ratchford that a resolution was on the record and would be put on the agenda accordingly.

At this time, Mrs. Walls mentioned that for the National Night Out, there are up front expenses that she will be paying, and that she is seeking sponsorship for that program. Mrs. Walls states the expenses will be around \$500, and that she will be seeking sponsorship from churches and other groups, but that the number of around \$500 will only come out of the budget if she fails to secure sponsorship, and that she feels like things are going well so far on that track.

Councilperson Di Mondì then asked for an explanation for the remediation for \$50,000 on the city hall. William Barthel stated that back in the fall, air tests and samples were performed that raised concerns about the duct work. William Barthel stated that the duct work under the conference room needs to be cemented over and needs to be addressed. Mr. Di Mondì mentioned the roof, to which William Barthel stated that the roof was fine, and could be included in this, but that had looked at it. Mr. Di Mondì and Mr. Barthel discussed the details about the roof, that Jeff had installed a new roof, but Councilperson Di Mondì stated that a flat roof was only good for ten years, and that the roof was eleven years old now, and William Barthel stated that as of a few years ago, it was not needed. Councilperson Di Mondì again stated that the roof was only good for ten years and expressed concern about the cost.

Mrs. Ratchford then asked if there were any other questions in the budget. Councilperson Di Mondì stated that he was against spending \$40,000 to 'kill these animals.' Mrs. Ratchford stated the cost is \$25,000 and inquired as to where Councilperson Di Mondì saw the \$40,000 number. Councilperson Quaranta stated that a contractor is available for \$25,000 and Councilperson Di Mondì stated his opposition. Council President Ratchford stated that beavers build dams in free-flowing water. Councilperson Di Mondì stated that public works going out there a couple of times a year and clears the trees. Councilperson Quaranta stated that at the dykes out here, the animals burrow into them, resulting in lack of stability. Members of the council mentioned muskrats and groundhogs, and William Barthel stated that in the event of the catch of a beaver or feral cat, the policy is "catch and release".

Council President Ratchford stated that the city would continue to follow state approved trapping measures, and if anyone else had any questions in regard to the budget.

Mrs. Walls stated the \$272,336 represents the current monthly budget.

**Motion, Discussion and Vote on Resolution 2017-21**, a Resolution to set FY 2017-18 Tax Rate and Adopt the FY 2017-18 City Budget and 2017-18 Grant Budget.

The **Motion** to consider **Resolution No. 2017-21** was made by Councilperson Quaranta and seconded by Councilperson Leary.

The resolution was read.

The **Motion** passed (4 to 1), with the Council votes recorded as follows:

Councilperson Valarie Leary - Yes

Councilperson Michael J. Quaranta - Yes  
Council President Linda Ratchford - Yes  
Councilperson Michael M. Platt - Yes  
Councilperson John A. Di Mondì – No

The **Motion** to adjourn was made by Councilperson Quaranta, **seconded** by Councilperson Leary and passed unanimously. Council adjourned at 7:57 pm.

Respectfully submitted,

Brian G. Whitaker City Clerk of New Castle, Delaware